

Application number: 09/396005  
Applicant: Khai Hee Kwan

Art Unit: 3621  
Examiner: Evens Augustin

Title: Method, apparatus and program to make payment in any currencies  
through a communication network system using prepaid cards

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO: MAIL STOP APPEAL BRIEF-PATENTS

Commissioner for Patents  
5 Virginia 22313-1450

REPLY BRIEF

ATTEN: Board of Patent Appeals and Interferences  
10

Appellant hereby replies to the Examiner's Answer, mailed Aug 19 2009 which  
was received by the Appellant on the Sept 8, 2009. (hereinafter referred as  
"Answer") in an Appeal of the final rejection in the above identified patent  
15 application.

Yours truly,

20 

25 Khai Kwan  
Appellant/Applicant  
023336  
9 Sept, 2009

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REAL PARTY IN INTEREST

- 5 A statement identifying the real party in interest is contained in Appellant's Appeal Brief.

RELATED APPEALS AND INTERFERENCES

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A statement identifying related appeals is contained in Appellant's Appeal Brief.

STATUS OF CLAIMS

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A statement identifying the status of the claims is contained in Appellant's Appeal Brief (adopting the Examiner's Answer).

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STATUS OF AMENDMENTS

- 25 A statement identifying the status of the amendments is contained in Appellant's Appeal Brief.

SUMMARY OF THE CLAIMED SUBJECT MATTER

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Statements summarizing the claimed subject matter is contained in Appellant's Appeal Brief.

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**GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

5      Statements identifying the grounds of rejection to be reviewed on appeal is contained in Appellant's Supplementary Appeal Brief.

**CLAIMS APPEALED**

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A copy of the appealed claims is contained in this Appendix of this Reply.

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### **REPLY-ARGUMENTS**

- 5 The Appellant acknowledges the Examiner's Answer (herein 'answers') mailed Aug 19 2009 which was received by the Appellant on the Sept 8, 2009.

The Examiner stated that his Answers was in response to appeal brief filed April 19 2009. It is on record that the Appellant also submitted a supplementary brief  
10 on June 2, 2009 in response to adverse 'Notice of Non-Compliant Appeal Brief' dated May 20, 2009. In the supplementary brief it is also stated:

The following sections :

- 15 1. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL  
2. ARGUMENT

have been amended and will replace the original as filed (18 April 2009) in their entirety.

20

Be that as it may, the Appellant will reply as follows by using the same "numbering/headings" as the Examiner for ease of reference.

25

### **Issues**

### **(3) Status of Claims**

The Appellant wish to state that in FINAL action letter mailed March 18 2009, the  
30 examiner had not indicated ANY allowed claims in the Office Action Summary page. Be that as it may, the Appellant has no argument on the Status of Claims

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(allowing claims 26,36,41) as corrected by the Examiner. In the same, the examiner's answer for para 4 & 5 (at page 6 & 7) would be redundant since both paragraphs deal with allowed claim 26,36,41.

5    **(9) Grounds of Rejection**

*Claim Rejections –35 USC 103*

10    The appellant does not agree with the examiner's answer for para 1 to 3 (page 3 to 6). In fact, the answers are the same as found in the Final Rejection Letter mailed 18 March 2009 (word by word). So the Appellant's response is maintained are already submitted 2 June 2009 at page 4-26 under a supplementary Appeal Brief titled "Argument" dated the same and will not be repeated.

15    As for para 4-5 of answer, the Appellant need not reply as these paras refer to claim 26,36,41 which according to the Examiner in his answer at page 2 (status of claims), allowing said claims.

**(10) Response to Arguments.**

20    (The reply provided here is merely to address the examiner's answer and is not to be read alone without the Supplement Appeal Brief June 2, 2009 as maintained)

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**(stored funds)**

The Appellant refers to para 7 at page 7 of answer. The Appellant opinioned the Examiner has missed a step by concluding as he did.

5

It is not disputed that Katz taught “prepaid stored value accounts” at C4,L42. However, the examiner failed to reveal the entire sentence teaching to the nature of prepaid stored value accounts as Katz explained it. The Appellant quotes “..prepaid calling card or credit card or bank account are used to deposit or prepaid stored value account such as telephone call minute accounts”.

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(underlined mine) Katz had described his ‘prepaid stored value account’ in the terms such as “telephone call minute accounts”. This is the only example known at the time of Katz invention. Under the principle of construction *expressio unius est exclusio alterius* (the express mention of one thing implies the exclusion of another), this must necessarily mean Katz foresee his invention to work within those stated examples and not for others (unmentioned).

15

This is what the appellant call the ‘missing step’ which is to show how a stored value account storing call minutes (as taught by Katz) could inherently reveal “stored funds”. Alternatively, could “stored funds” in its widest reasonable interpretation consistent with specification by one ordinary skilled in the art read into “telephone call minutes” ? There is nothing in the specs of this application to show such stored funds is for making telephone calls as known in Katz. In fact, the Appellant’s specification clearly states “ In a preferred embodiment, a pre-paid card system enables customers to access a telephone network and obtain transaction services such as paying for water, gas, electricity or services other than making a phone-call” (at page 13 line 21) (underlined Appellant)

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The examiner had not shown this step and in fact ignored even the title of Katz's invention which is "Method and System for Transferring Telecommunication Time Units Among Accounts and Exchanging Same for Goods Or Services".

(underlined Appellant). Clearly some reasoning is required to show

- 5    Telecommunication Time Units are inherent to one skilled in the art to stored funds by one ordinary skilled in the art at Katz's time.

- The next issue is "goods and services, and for transferring the associated value to others, especially such transfer to others overseas" as stated by the Examiner  
10    (without any reference/citation). The Appellant assumed this is found at (C4 L51-56) and quote the entire sentence for clarification.

- "Even more specifically, the system and method allows its subscribers to access the value associated with any unused **pre-paid telecommunication-time** for  
15    uses other than placing telephone calls, such as for acquiring goods and services, and for transferring the associated value to others, especially such transfers to others overseas." (underlined is presumed to be examiner's quote) (bold emphasis mine)

- 20    It is clear again that Katz is teaching of using "prepaid telecommunication-time" to do the things as underlined. The fact that "prepaid telecommunication-time" can be used for the things underlined above does not inherently means it is a stored funds. A clear reading is that Katz is trying to show that its pre-paid telecommunication-time is CURRENCY acceptable for things (having value)  
25    underlined above and not stored funds.

This important clue is where Katz states at Col 4 lines 57-59 and Appellant quote "Unused telecommunication time has a market value, thus, pre-purchased

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telecommunication-time may be redeemed for goods and services also having a value.”

5 In short, Katz’s is intentional as he sees “telecommunication-time” as the currency having a MARKET VALUE and could be REDEEMED. These two elements (market value & redeemed) are clearly not associated with stored funds. In the ordinary usage of stored funds, it must retain its value (ie a ten dollars must be ten dollars at all times on its face rather than a ‘market’ value or redeemable ?)

10

Moreover, see Katz’s Fig 2A, one read that the recipient actually received “prepaid telecommunication-time” and it is only when this recipient ‘cash-out’ by redemption office (202) or automatic (224) it becomes as we understand FUNDS. Hence as Appellant had repeatedly stated that even Katz understood that his  
15 **pre-paid telecommunication-time** is not funds (money) as one ordinary skilled in the art sees it, **else why the need for redemption is obvious.**

The Examiner further states that as there is a teaching of ATM cards this is a clear indication that the card in question can be used as funds directly. With  
20 respect, the Appellant must disagree and reject this suggestion. It is clear that ATM cards are used to access (**account**) as opposed to this claimed invention of storing funds. The evidence can be sourced at Col 4 line 45 –52 and repeated below:

25 “More specifically, and with reference to an embodiment of the present invention relating to a telephone call minute account, the method and system of the invention provides a subscriber account wherein telecommunication-time has a



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value associated with the cost of telephone call minutes and may be accessed by a wireless telephone, an ATM card or other access device.”

5 The above clearly suggest that the ATM card is merely an ACCESS device to a telephone call minute account. (also see col 10 line 1-5) There is no suggestion that such access will necessarily lead to transfer funds from holder’s account into said account of the telephone service provider (telco) which will then transferred it (deposit) into ATM holder’s account as “prepaid telecommunication-time”. If one look at Katz’s Fig 2A, the ATM is shown to be linked to the Bank Redemption  
10 (221). In terms of purchase unit-minute, the Appellant could only see P1 (208,209 and 210) being the transaction paths (without ATM) with subscriber 100. There is also R2 (214,215,216,217) with subscriber 210 (with ATM). But R2 is described in specification (see col 13 line 60-65) as a redeeming transaction (not a deposit).

15 But note that in **Claims 48 and 49**, the claimed invention have the element “....stored funds deposited without using a bank account”.

**(103 Rejection Unsafe)**

20 The Examiner made reference to Brief (submitted April 19, 2009) at lines 20-25 of page 10. The Appellant repeats the lines from brief as follows:

“Lastly, all the obviousness rejection should be withdrawn . Even when obviousness is based on a single prior art reference there must be a showing of a  
25 suggestion or motivation to modify the teachings of that reference. See B.F. Goodrich Co. v. Aircraft Breaking Sys. Corp., 72 F.3d 1577, 1582, 37 USPQ2d 1314, 1318 (Fed. Cir. 1996). Save for Claims 26, 36,41 (in combination with

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Walker – US 6138106), the examiner had not provided any motivation and therefore such rejections are unsafe.”

5 The examiner at page 8, asked the Appellant which aspect of the passage is not safe or dangerous.

The Appellant says that it is unsafe because all the rejected claims (except for claims 26,36,41) do not have any motivation to be modified and the case BF Goodrich says that even if there is ONE reference (Katz), a motivation must be  
10 provided. As the examiner did not provide any then all the rejections are unsafe according to Goodrich.

**(account linked to a user created identifier)**

15 With respect, the examiner’s suggestion of Katz prompting subscriber/payer for ID etc (at page 8) do not show that these are user created identifiers.

In short, the fact that Katz shows providing for ID/pwd, receiving and checking , debiting and crediting etc does not necessary means those IDs are created by  
20 users (as claimed). It is common ground that Katz teaches a telecommunication system and it is well known that telephone numbers are the only ID known in this field. There is no suggestion in this art that user can create telephone numbers on their own.

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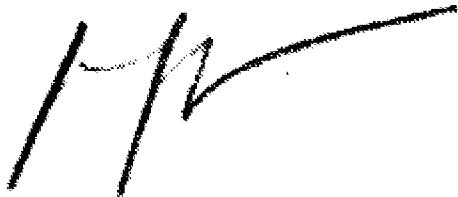
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For the reasons above, the Appellant respectfully submits ALL the rejections should be reversed.

Much Obligated,

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A handwritten signature in black ink, appearing to be 'KH' followed by a long horizontal stroke.

Khai Kwan  
Appellant/Applicant

10 9 Sept 2009

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Appendix

5 Text of Claims as per this Appeal.

13. An user to user payment method over a network under payer's control, comprising:

10 providing an Internet System connected to a host server having a database to transfer stored funds in any currencies over said network, said method executable at said host server comprising:

15 prompting payer to input payer's account identifier and password;

authenticating the payer's account identifier and password for validity;

20 prompting the payer to input payee's account identifier and fund transfer information;

receiving said payee's account identifier and said fund transfer information;

25 upon authenticating the payee's account identifier, instantly crediting the fund to the payee's account upon determining balance in the database associated with the payer account identifier and password is more than the fund for transfer;

instantly debiting the balance associated with the payer's account identifier and password in the database with said fund transferred to said payee's account;

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whereby said stored fund is deposited from a prepaid card into an account linked to an user created identifier; and

- 5    whereby said transfer is made without interacting with said payee and independently of said prepaid card.

14. The method of Claim 13 includes a step of storing and linking prepaid card  
10    amount to an user account identifier in the host server over a network comprising:

prompting user to enter security code associated with the prepaid card;

- 15    receiving the security code;

determining the security code is valid;

determining any account **identifier** is associated with the security code;

- 20    upon determining there is no account identifier associated with said code then prompt said user to enter an user account identifier, password, storage period and currency to be stored;

- 25    receiving said user account identifier, password, storage period and currency as inputted by said user;

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determining said user account identifier and password for uniqueness against other stored user account identifiers and passwords;

calculating stored value;

5

output the stored value to said user;

upon determining said user account identifier, password combination is unique and the stored value is acceptable to said user then add said account identifier and password into database linked with the stored value amount;

10

upon determining said user account identifier, password combination is not unique and stored value is acceptable to said user then linked the stored value amount to said existing user account identifier and password in the database;

15

and

whereby upon completion of storing and linking said prepaid card is valueless.

20

26. (Allowed by Examiner) The method according to Claim 14, wherein calculation of the stored value is based at least in part on the formula below:

$$\text{Stored value} = B * D * L * C * R$$

25

Where B is face value of the prepaid card or floating balance whichever is less, D is a factor related to storage period, L is a factor related to value and loyalty of customer that is based on his/her past purchases of pre-paid cards, C is a factor related to cost of money and R is a factor related to flexibility in currency stored.

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33. The method according to Claim 13 whereby said payer is unknown to said host server.

5 34. An Internet system for user to user fund transfer over a network comprising:

a host server having a database to transfer stored funds in any currencies under payer's control, wherein said server having a processor to execute program codes stored in a computer storage medium; and wherein the program codes,  
10 further comprises:

code to prompt payer to input payer's account identifier and password;

code to authenticate the payer's account identifier and password for validity;

15

code to prompt the payer to input payee's account identifier and fund transfer information;

code to receiving said payee's account identifier and said fund transfer  
20 information;

code to authenticate the payee's account identifier and upon authentication, instantly crediting the fund to the payee's account upon determining balance in the database associated with the payer account identifier and password is more  
25 than the fund for transfer;

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code to instantly debiting the balance associated with the payer's account identifier and password in the database with said fund transferred to said payee's account;

- 5    whereby said stored fund is deposited from a prepaid card into an account linked to an user created identifier; and

whereby said transfer is made without interacting with said payee and independently of said prepaid card.

- 10    35. The system of claim 34 wherein program code further comprising:

code to prompt user to enter security code associated with the prepaid card;

code to receive the security code;

15

code to determine the security code is valid;

code to determine any account identifier is associated with the security code;

- 20    code to prompt said user to enter an user account identifier, password, storage period and currency to be stored upon determining there is no account identifier associated with said security code;

code to receive said user account identifier, password, storage period and  
25    currency as inputted by said user;

code to determine said user account identifier and password for uniqueness against other stored user account identifiers and passwords;



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code to calculate stored value;

code to output the stored value to said user;

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code to add said account identifier and password into database linked with the stored value upon determining said user account identifier, password combination is unique and the stored value is acceptable to said user;

10 code to link the stored value to said existing user account identifier and password in the database upon determining said user account identifier, password combination is not unique and stored value is acceptable to said user; and

whereby upon completion of storing and linking said prepaid card is valueless.

15

36. (Allowed by Examiner) The system of claim 35 wherein code to calculate the stored value is based at least in part on the formula below:

Stored value =  $B * D * L * C * R$

20

Where B is face value of the prepaid card or floating balance whichever is less, D is a factor related to storage period, L is a factor related to value and loyalty of customer that is based on his/her past purchases of pre-paid cards, C is a factor related to cost of money and R is a factor related to flexibility in currency stored.

25

38. The system according to Claim 34 whereby said payer is unknown to said host server.

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39. Computer executable software code stored on a computer readable storage medium, said codes when executed causing a host server having a database to transfer stored funds between users in any currencies over a network under payer's control comprising :

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code to prompt payer to input payer's account identifier and password;

code to authenticate the payer's account identifier and password for validity;

10

code to prompt the payer to input payee's account identifier and fund transfer information;

code to receiving said payee's account identifier and said fund transfer information;

15

code to authenticate the payee's account identifier and upon authentication, instantly crediting the fund to the payee's account upon determining balance in the database associated with the payer account identifier and password is more than the fund for transfer;

20

code to instantly debiting the balance associated with the payer's account identifier and password in the database with said fund transferred to said payee's account;

25

whereby said stored fund is deposited from a prepaid card into an account linked to an user created identifier; and

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whereby said transfer is made without interacting with said payee and independently of said prepaid card.

40. According to Claim 39 wherein said software code further comprising :

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code to prompt user to enter security code associated with the prepaid card;

code to receive the security code;

10 code to determine the security code is valid;

code to determine any account identifier is associated with the security code;

15 code to prompt said user to enter an user account identifier, password, storage period and currency to be stored upon determining there is no account identifier associated with said security code;

code to receive said user account identifier, password, storage period and currency as inputted by said user;

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code to determine said user account identifier and password for uniqueness against other stored user account identifiers and passwords;

code to calculate stored value;

25

code to output the stored value to said user;

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code to add said account identifier and password into database linked with the stored value upon determining said user account identifier, password combination is unique and the stored value is acceptable to said user;

- 5 code to link the stored value to said existing user account identifier and password in the database upon determining said user account identifier, password combination is not unique and stored value is acceptable to said user; and

whereby upon completion of storing and linking said prepaid card is valueless.

10

41. (Allowed by Examiner) According to Claim 40 wherein said code to calculate the stored value is based at least in part on the formula below:

Stored value =  $B * D * L * C * R$

15

Where B is face value of the prepaid card or floating balance whichever is less, D is a factor related to storage period, L is a factor related to value and loyalty of customer that is based on his/her past purchases of pre-paid cards, C is a factor related to cost of money and R is a factor related to flexibility in currency stored.

20

43. According to Claim 39 whereby said payer is unknown to said host server.

44. The method of Claim 13 includes providing at least one point of sale terminal adapted to issue by printing a receipt representative of the prepaid card having at least a serial number .

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45. The system of Claim 34 includes at least one point of sale terminal adapted to issue by printing a receipt representative of the prepaid card having at least a serial number .

5 46. According to Claim 39 wherein said software code further comprising :

code to enable at least one point of sale terminal to be connected to said host server to issue by printing a receipt representative of the prepaid card having at least a serial number.

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48. A computer based method for person to person instantaneous fund transfer, the method comprising :

providing a host server having a database to transfer stored funds;

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using said stored funds in payer's account for transfer to payee whereby said account having a payer created identifier being different from source of funds;

submitting said identifier for verification prior to a transfer and said transfer is

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instantaneously without interacting with said source of funds and said payee;

whereby said stored funds is deposited without using said payer's bank account;  
and

25

whereby said payer and said payee are two different persons.

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49. A system for person to person instantaneous fund transfer, the system comprising :

a host server having a database to transfer stored funds , wherein said server  
5 having a processor to execute program codes stored in a computer storage medium; and  
wherein the program codes, further comprises:

code to transfer said stored funds in payer's account to payee whereby said  
10 account having a payer created identifier being different to source of funds;

code to submit said identifier for verification prior to transfer and said transfer is instantaneously without interacting with said source of funds and said payee;

15 whereby said stored funds is deposited without using said payer's bank account;  
and

whereby said payer and said payee are two different persons.

20

50. The method according to Claim 13 whereby said prepaid card is a cash card .

51. According to Claim 34 whereby said prepaid card is a cash card.

25 52. According to Claim 39 whereby said prepaid card is a cash card.

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Evidence Appendix

NONE

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Related Proceedings Appendix

NONE